Tiger Pistol

Social Advertising:

How SMBs are Fueling the Growth in Online Advertising

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Executive Summary

Capturing and converting customers through online presence and social media marketing efforts is a critical part of any local small business marketing plan. Resellers must go beyond the basics of social advertising, providing customers with cost-effective direct response campaigns that drive leads, to deliver the high-value measurable return-on-investment (ROI) that small and medium-sized business (SMB) customers expect from other online media.

Social has quickly become a potent, metric-driven direct response lead generation channel, allowing SMB advertisers to realize higher ROIs on social advertising than through search and directory advertising alone. Recent data show performance metrics for social advertising are meeting and even beating traditional offline and online direct response ad channels.

As social platforms become an increasingly critical tool for media resellers seeking to grow ad revenue dollars and margins, there are areas where the technology is still unfolding. For example, at present, most enterprise social media platforms focus on providing scalable presence and reputation management solutions but don't integrate social ad campaigns. This leaves a critical gap in the lead generation channel.

In this BIA/Kelsey sponsored research report, we examine the state of social advertising campaigns and how platforms that automate ad campaign creation and optimization at scale can enable resellers to deliver cost-effective direct response social ad campaigns. We explore if significant investments in social ad technology makes the emerging channel comparable in scope to traditional online channels, such as display and search.

We'll also discuss Tiger Pistol's SMB social advertising platform and examine the ROI on its data-driven lead generation approach to evaluate the value to SMB advertisers. We also provide insights and background on how the social media explosion of the past decade has created a new direct response ad channel, as well as how integrated social marketing solutions are solving the challenge resellers face in delivering SMB customers end-to-end presence, reputation and lead generation tools that drive conversions while reducing account churn.

The Long Short Road to Social Advertising

Social media has come a long way in the relatively short time it has been in existence. What started as a way for people to connect and share with their personal and professional networks online has exploded into a global phenomenon that reaches 2 billion people globally, often daily, and will generate more than $32.9 billion in 2016 advertising revenue worldwide (eMarketer).

Figure 1 - Social Network Ad Revenue, by Company 2016-2017

Social Network Ad Revenues Worldwide, by Company, 2014-2017

	2014	2015	2016	2017
Social network ad revenues (billions)				
Facebook	$11.49	$16.29	$21.43	$26.98
Twitter	$1.26	$2.03	$2.95	$3.98
LinkedIn	$0.75	$0.93	$1.13	$1.33
Other	$4.36	$5.88	$7.41	$8.72
Total social network ad spending	**$17.85**	**$25.14**	**$32.91**	**$41.00**
Social network ad revenue growth (% change)				
Twitter	111.2%	61.8%	45.0%	35.0%
Facebook	64.5%	41.8%	31.5%	25.9%
LinkedIn	33.2%	25.1%	20.5%	17.8%
Other	34.4%	35.0%	26.1%	17.6%
Total social network ad spending	**56.8%**	**40.8%**	**30.9%**	**24.6%**
Social network ad revenue share (% of total)				
Facebook	64.4%	64.8%	65.1%	65.8%
Twitter	7.0%	8.1%	9.0%	9.7%
LinkedIn	4.2%	3.7%	3.4%	3.2%
Other	24.4%	23.4%	22.5%	21.3%

Note: includes paid advertising appearing within social networks, social network games and social network apps; excludes spending by marketers that goes toward developing or maintaining a social network presence; numbers may not add up to total due to rounding
Source: eMarketer, Sep 2015

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www.**eMarketer**.com

Source: eMarketer, 2015

This wouldn't be as remarkable a feat of revenue generation in today's fast-moving Internet and technology landscape if it weren't for the fact that the entire concept of modern social media came into existence in just 12 years. It was only in 2004, with the launch of Facebook, that a new standard was set for how all other social networks would be assessed in the future.

BIA/Kelsey has included social media in its Local Commerce Monitor (LCM) survey of small business marketing behavior and sentiment for the past several years. The medium has evolved from a curious novelty into an integral channel for SMBs to reach and engage their local customers. In fact, recent LCM surveys show SMBs ranking social media No. 1 in total spend and effectiveness for the past two years.

Social advertising is vital to SMB marketing success today and will remain so for the foreseeable future.

> The challenge now facing media resellers is how to adapt and educate their sales teams, as well as update their value propositions to sell social media-based SMB lead generation products and solutions. This is a change in the reseller script for social media.

The importance of this market evolution is especially evident for very small businesses (VSB), whose spend levels are between $100 and $500 per campaign. As they shift marketing dollars from search advertising into discovery-oriented social media channels, VSBs expect data and metric-driven performance. Resellers are finding that they need to update their value proposition and product offerings to meet this new requirement.
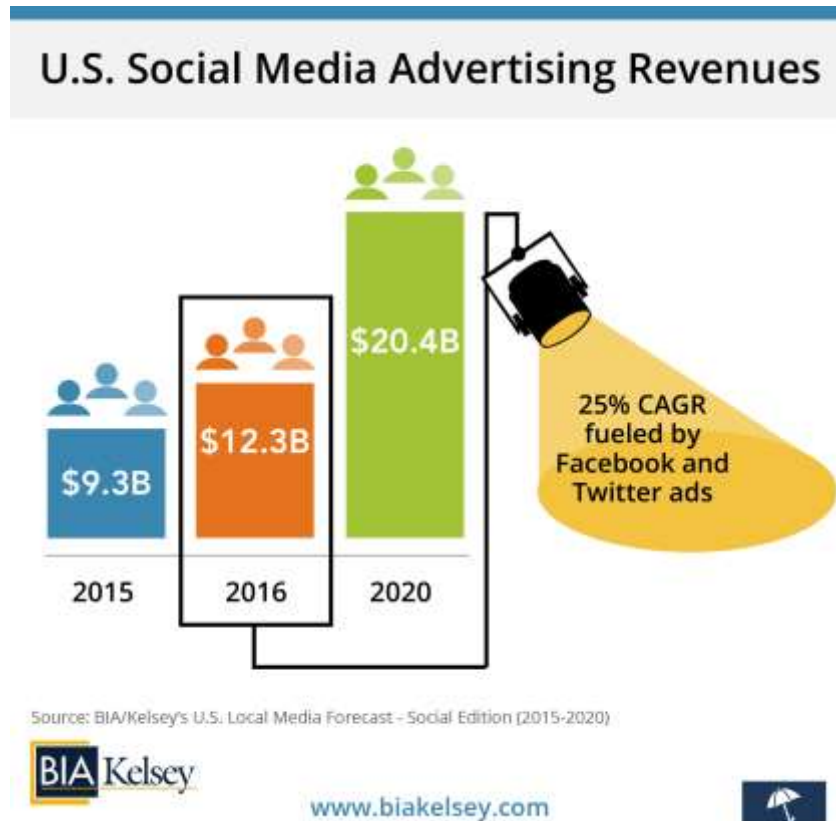
Yet the current marketplace for SMB media reseller-based social media solutions is still heavily focused on presence and reputation management offerings. As mobile technology and device proliferation have dominated consumer media technology trends, finding effective ways to reach customers online across multiple platforms has become critical for small business advertisers. Social networks are the cross-device media that link advertisement to attribution.

The challenge now facing media resellers is how to adapt and educate their sales teams, as well as update their value propositions to sell social media-based SMB lead generation products and solutions. This is a change in the reseller script for social media. How did we get here?

Looking at the Data: Going Beyond Presence and Reputation Management

When Facebook launched its first advertising option in May 2005, few would have predicted that local-only social media advertising revenue would be estimated to reach $12.3 billion in 2016, just 11 years later (BIA/Kelsey 2016 U.S. Social Media Forecast).

Figure 2 - Local Social Media Advertising Spending, 2015-2020

U.S. Social Media Advertising Revenues

$9.3B — 2015

$12.3B — 2016

$20.4B — 2020

25% CAGR fueled by Facebook and Twitter ads

Source: BIA/Kelsey's U.S. Local Media Forecast - Social Edition (2015-2020)

BIA Kelsey

www.biakelsey.com

Source: BIA/Kelsey, 2016

Locally targeted social media has become one of the top media channels for SMBs with fewer than 100 employees both in terms of usage and spending. Our Local Commerce Monitor Wave 19 survey of small business advertisers found that 73.2 percent of SMBs used social media in some capacity to advertise or promote their businesses, representing a one percent increase over the previous year. SMBs spent an average of 21.1 percent of their total media budgets on social, more than any other media channel.

Small business advertisers must follow where their customers go, and increasingly that means shifting from search engines to social media networks. Social media has grown exponentially as a result. One of every seven people in the world now has a Facebook page (Facebook post 8/27/15). Nearly two-thirds of American adults visit social networks and blogs, and growth continues to be robust across all demographic groups (Pew Research Center, Oct. 8, 2015).

Accordingly, resellers and marketers are flocking to social channels to capture audiences and convert them into business leads. Yet, while consumers adopted social media with enthusiasm, SMB advertisers approached the medium with a sense

of caution. Initial social offerings in the SMB marketing toolkit were designed to connect advertisers to their social media-based audiences through presence creation, usually with Facebook page management, and active social reputation management to drive leads to an SMB website or offers.

> Small business advertisers increasingly view paid social media advertising as an integrated cross-platform tactic and are running it in conjunction with other online and offline media... This is a new way to think about the social media channel, one that media resellers are catching onto quickly.

These products provided a needed solution to a problem but did not deliver the kind of tangible ROI of other performance advertising solutions, such as paid search, especially in terms of driving leads back to an advertiser's business. This held back social products the most when it came to how solutions were packaged and sold by media resellers. Small business advertisers often preferred to spend their marketing dollars on solutions that drove a high ROI in the form of metric-driven lead generation, even if social advertising was less expensive.

Despite the initial reluctance to buy into the social media story, advertisers now willingly invest marketing dollars into the channel. This inflow of marketing dollars has shaped Facebook's advertising product portfolio, and in the past two years the company has evolved its platform to provide the type of scalable direct response lead-driving performance products for which SMB and VSB advertisers have been waiting.

Facebook has created not only an affordable but often more viable alternative to search engine marketing, notably for SMBs with lower budgets. Small business advertisers increasingly view paid social media advertising as an integrated cross-platform tactic and are running it in conjunction with other online and offline media, much the same way search engine marketing and optimization have been utilized for the past decade. This is a new way to think about the social media channel, one that media resellers are catching onto quickly.

Enabling Social Ads for SMBs: The Tiger Pistol Platform

Tiger Pistol developed its social advertising platform as a solution for media resellers seeking to enhance SMB marketing offerings with scalable social advertising. The company's research established early that small businesses did not have an

accessible and accountable way to leverage social advertising and built its platform to be an 'ads-first' channel enabling advertisers to draw meaningful data- and metric-driven revenue from social media channels.

While Tiger Pistol offers presence and reputation management platform add-ons for partners that don't already have those capabilities, the company focuses on providing direct response performance advertising ability to SMB media resellers.

 "For our partners it's been what we've been leading with, and it's what they're keen to talk about. For the [resellers] that are already doing social, they're likely offering a social presence and reputation management product, but they don't have a compelling and cost-effective performance product using social," says Steve Hibberd, Tiger Pistol's founder and CEO. "We recognize we need a full solution that covers presence and reputation, but our priority has been to enable media resellers to leverage the lead generation channel afforded by Facebook ads, especially as an effective offering for their SMB advertiser customers."

Although there have been Facebook-based social media ad products in the past, the majority of offerings have focused on content-related page boost product creation and less so on the ability to leverage and use Facebook's robust ad campaign components as a managed system.

Tiger Pistol found that boost campaigns focused on promoting content are optimized by Facebook to achieve engagement (i.e., likes, comments and shares) as opposed to more commonly desired direct response outcomes such as website visits and calls.

One of the primary pain points with social advertising for SMB has been that it's a complicated process with many moving parts that need to be understood and managed. Tiger Pistol responded to these challenges through a combination of software and unique market differentiation. The Tiger Pistol platform streamlines workflows and surfaces the data most important to SMB advertisers to aid in proving ROI, including reporting on ad-click activity, conversion events and other key metrics.

Prior to the launch of direct response ads, Tiger Pistol had served thousands of small business advertisers via social media presence and reputation management products.

It was able to develop deep competencies based on specific SMB categories and how consumers in those categories engage on social media, as well as how SMBs interpreted and understood the value driven by social ad campaigns.

Those behavioral and performance data are the foundation of the company's three-pronged platform strategy:

Machine Learning-Based Campaign Optimization: By developing and utilizing algorithmic machine learning, the Tiger Pistol platform is able to greatly reduce the level of effort required to continually optimize social ad campaigns. The system takes advantage of the massive store of performance data the company has collected from managing thousands of ad campaigns across advertiser size and category. The platform's algorithms continually analyze performance data for active and historical campaigns to automatically perform campaign optimization. This allows the platform to handle fulfillment of thousands of campaigns while providing improved performance management.

Efficient Campaign Fulfillment Automation: In addition to machine learning intelligence that allows for scaled ad campaign management, the Tiger Pistol platform automates many of the processes involved in advertiser campaign intake and fulfillment. One of the broader challenges of building advertising campaigns on Facebook is the level of manual effort required to initially create the content for and launch individual campaigns. Tiger Pistol greatly reduces the amount of time needed to process, build and launch campaigns through its relationship with Facebook, which is supported by application programming interfaces (API) that integrate its platform with reseller backends. The majority of processes are automated for the reseller and SMB.

Flexible Platform Scalability: What makes the Tiger Pistol platform attractive to SMB media resellers is its ability to rapidly scale to support campaign portfolios as they grow from hundreds to many thousands of accounts. Typically, one of the biggest hurdles resellers face is that they must monitor the spend level of advertisers they bring onto a vendor platform to allow the required intake and fulfillment processes to execute efficiently. This often leads to an immediate reduction in campaign revenue ability and poor customer experience for both the reseller and its SMB advertisers. The Tiger Pistol platform is built to be flexible and is able to scale to keep pace with a reseller's need to sell and fulfill more campaigns. The company currently supports reseller portfolios ranging from a few hundred to tens of thousands of SMB campaigns.

As part of its strategy, Tiger Pistol built its product portfolio to be flexible to accommodate a media reseller's own menu of offerings and SMB value story. Campaigns can be flighted at minimum budget levels to test efficacy and combined with presence and reputation management capabilities, enabling resellers to customize platform implementation to meet specific needs.

Social Advertising Real World Performance: Tiger Pistol Case Studies

Business Category: Local Entertainment		
Highlights:	Ad Campaign	Cost Per Click	ROI
	$150	$0.40	57X
The Goal	**The Campaign**	**The Results**
Get the word out that a completely new gaming experience is available.	Based on objectives, Tiger Pistol platform created a custom 2-week Facebook campaign for the client for only $150.	Reached more than 25,000 customers and drove 367 clicks to website at a cost per click of $0.40.
Reach interested customers looking to give someone a unique and exciting new experience.	Facebook campaign creative was optimized to drive clicks to website where customers could purchase $100 gift vouchers.	100 gift vouchers sold during the course of the campaign.
Drive sales of gift vouchers to the virtual gaming reality experience.	Data-driven creative execution focused on getting customers excited to share posts about business.	Total retail value of gift voucher sales was $8,650, delivering a 57X ROI on the initial $150 ad campaign spend.

Business Category: Travel Industry		
Highlights:	Ad Campaign	Cost Per Click	ROI
	$580	$0.31	12X
The Goal	**The Campaign**	**The Results**
Reach outdoor-oriented and adventure travelers with flexible travel schedules.	Based on high value goals, data-driven social ad platform created a 35-day Facebook campaign for the client for $580.	1,656 clicks to the website at a cost per click of $0.31 resulted in 5 direct customer redemptions of the coupon code for a total of $1,012.

Increase mid-week bookings and occupancy for luxury tent accommodations across multiple locations.	Leveraged travel industry campaign performance data to test multiple variations of the Facebook Click to Website campaign creative and reach more than 34,000 customers.	The client also experienced a 3X-4X lift in mid-week reservations for the next month, booking more than 50 additional nights.
Promote "glamping" style getaways to travelers interested in a unique outdoor experience.	Customers were provided with a coupon code for discounted mid-week bookings.	The client attributed over $7,400 in additional mid-week bookings to its successful Facebook campaign, resulting in a more than 12X ROI on the $580 ad spend.

Business Category: Transportation (Moving)		
Highlights:	**Ad Campaign** $75/week	**Cost Per Click** $0.40	**ROI** 2X Lift

The Goal	The Campaign	The Results
Create a multiple week social ad campaign to measure the potential impact and lift when combining social advertising with existing paid search campaigns for a local moving company.	Based on the objectives, a multi-week campaign was developed that involved turning on and off social ad campaigns to measure the lead generation and overall performance of several channels over a period of time to determine the impact of social campaigns and measure any lift created for paid search campaigns.	Search: 129 per day with ads running; 78 per day with ads off; 65% lift in paid search when combined with social. Calls: 1 per day with ads running; 0.56 per day with ads off; 2X lift in phone inquiries when social combined with paid search. Website: 4 per day with ads running; 2 per day with ads off; 2X lift in phone inquiries when social combined with paid search.

Business Category: Trade Services - Plumbing

Highlights:	Ad Campaign	Cost Per Click	ROI
	$150	$0.80	39% Week-Over-Week Improvement

The Goal	The Campaign	The Results
Reach new audience of potential local customers for plumbing services and improve performance and ROI for social ad campaigns targeting local customers in need of plumbing services.	A 2-week campaign was created to target local customers and drive potential leads with a goal of continuously improving cost-per-lead efficiency.	Machine learning driven campaign and budget optimizations led to a 39% improvement in week-over-week campaign performance, dropping cost per click from $0.99 to $0.60.

Business Category: Entertainment Services

Highlights:	Ad Campaign	Cost Per Click	ROI
	$150	$0.27	38% Week-Over-Week Improvement

| The Goal	The Campaign	The Results
Reach potential new customers for local mobile DJ service with highly targeted campaigns based on interests and life events.	A multi-week campaign was created leveraging data from high performing creative in the category to reach new potential customers in the area.	Machine learning driven campaign and budget optimizations led to a 38% improvement in week-over-week campaign performance, dropping cost per click from $0.32 to $0.22.

Social Media as an Alternative to Search Engine Marketing

Search, and search engines themselves, can be tremendously useful—they're the primary tool consumers have used for information-finding online since their invention in the late 1990s. Being discoverable where consumers are online has always been one of the best ways to capture and convert new customers. Search engine marketing (SEM) has proven to be consistently effective, from their SEM marketing spend, according to BIA/Kelsey surveys (LCM 19).

But the new reality of a social- and mobile-first world has prompted advertisers and marketers to reassess their online lead generation strategy. While desktop search remains a key consumer channel, social media is quickly becoming the dominant source for information discovery, with 31.2 percent of all referral traffic to websites and landing pages sourced from a Facebook page in 2014, compared with 22.7 percent the previous year, according to Shareaholic.

Figure 3 - Search vs. Social Content Referrals
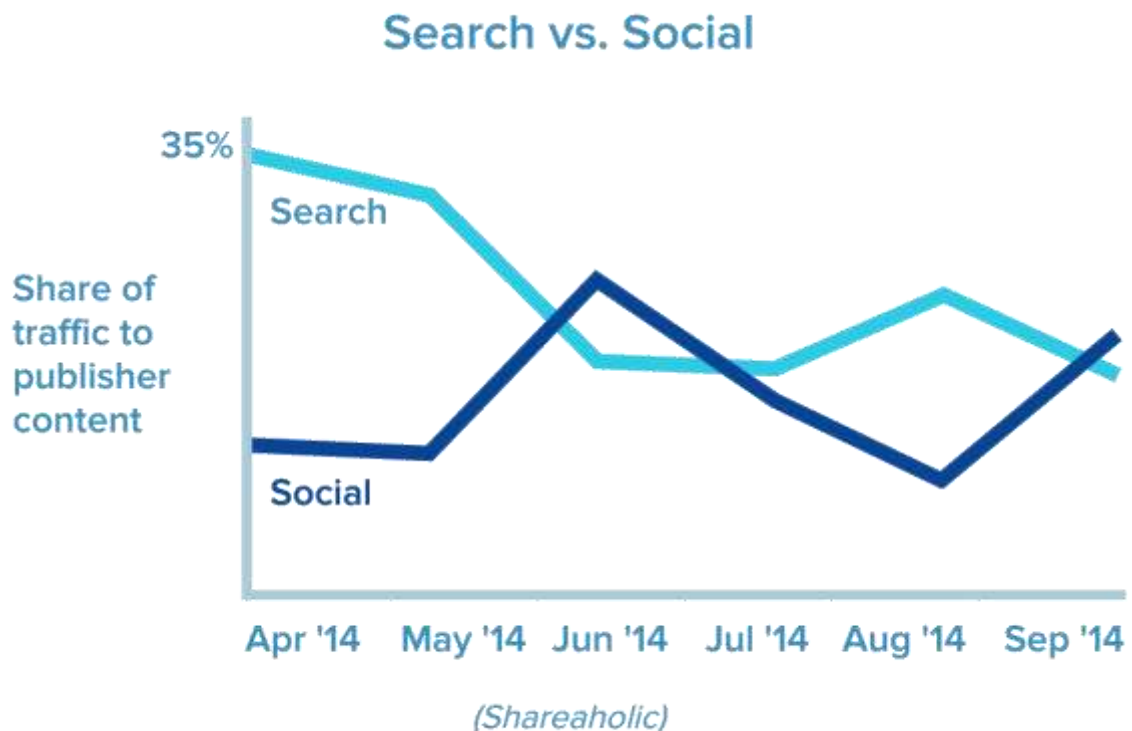
(Shareaholic)

Source: Shareaholic, 2014

The decline of search engine traffic referrals and the rise of social media referrals is likely due to multiple contributing factors:

Consumers, and the advertisers that want to engage with them, are moving off the desktop and onto mobile devices as their most-used device to access the Internet. This migration leads to an overall decrease in desktop search utilization and an increase in mobile-only means for search and discovery, including search engines. Yet increasingly often social media and purpose-specific apps forgo search engines completely.

Discovery, the surfacing of content based on known consumer preferences, is becoming equally important as search when consumers engage with local businesses online. Social media has changed the way SMBs and local consumers can find each other. There is a rising expectation that the discovery process will be as good or better than search when it comes to surfacing relevant information.

As the volume of online content increases exponentially, growing beyond the scope of the web and within social networks themselves, traditional search engines can struggle to deliver meaningful results for a consumer. Specific local intent is required in search queries to display relevant results comparable to social discovery. Search is still useful, and for consumers who are looking for quick information about a specific local business, it remains the best channel to use. But search engines are not suited for the evolving consumer trend favoring local content discovery, which happens in-stream over a period of time within a social network.

In place of specific local intent-based search queries, social advertising relies on specific demographic targeting, using metadata information provided by social media users about whom they are, their interests and other relevant data points. SMB advertisers that leverage the power of social demographic targeting can find new potential customers by using shared user information to seek out and identify possible interest.

Rather than reactively targeting consumers who search for a specific term or phrase, social advertising can now proactively target relevant customers before they initiate a search. This is facilitated by connecting known user information and sentiment to the demographic targeting profile of a social ad unit. This is a new concept for many media reseller sales organizations, which have typically relied on the *social = presence + reputation management only* narrative when pitching products to SMB audiences.

Lead Generation Solutions for the VSB

Social advertising is particularly beneficial for media resellers providing marketing solutions for SMBs with low-budget/low-spend accounts. VSBs with fewer than five employees often are not able to allocate the budgets required to sustain and grow a local search marketing campaign. But in social advertising, these budgets are both viable and effective.

"At the sub-$500 level, it's often better for media resellers to offer non-budgeted products that don't rely solely on search ad conversions," says Larry Baird, vice president of marketing at Tiger Pistol. Where a larger SMB may be able to spend $700 or more per search campaign each month, the VSB is often limited to less than $500 a month across all campaigns. This can lead to challenges for the reseller, because the VSB advertiser still expects to see a high ROI with lead generation, even if the amount of spend is too low to be able to sustain an SEM campaign long enough to deliver results.

The growth of the search marketing channel for SMB advertisers has led to a situation where for most advertisers, the cost per click and cost per lead to engage in search marketing for their geography and business category have become prohibitive at lower spend thresholds. Search marketing success simply costs SMBs too much.

Resellers that want to offer search-based solutions to these advertisers often rely on non-lead generating products, with the most popular being packaged search clicks to an advertiser's website for a set amount each month. These lower-tier search products are ill-suited for driving high levels of leads and conversion, and often do not provide a positive return on investment for both the media reseller and the SMB advertiser. The result is discouraged customers not willing to grow their marketing investment.

> Tiger Pistol has found social advertising positioned as an alternative to lower-tier SEM is capable of providing the high level of visibility and lead conversion comparable with higher-spend SEM products but on budgets similar to lower performing SEM offerings.

Facebook social ads, powered by a new level of targeting and cross-platform device reach that presents ad campaigns in-stream, provide higher levels of conversion at generally lower levels of cost per click and cost per lead. For the equivalent spend

level at which a lower-tier search product may be sold, a social ad unit often is able to provide a much greater ROI value story to the SMB advertiser.

In its engagement with media resellers, Tiger Pistol has found social advertising positioned as an alternative to lower-tier SEM is capable of providing the high level of visibility and lead conversion comparable with higher-spend SEM products but on budgets similar to lower performing SEM offerings.

Media resellers are primarily seeking effective lead-generating solutions for their SMB customer. The lack of ROI from presence and reputation solutions often decreases the perceived value of social advertising, which has led to Tiger Pistol seeing more requests for its solutions to be offered as a standalone product to fill the social gap in comprehensive marketing programs.

One of the primary concerns with social media in the past was that it didn't fit nicely into the model of paid search, search engine optimization (SEO) or other paid media where resellers can measure and deliver customer metrics to track campaign performance. The challenge with presence and reputation management solutions is it's difficult to show comparable ROI with performance advertising, yet presence is necessary to accrue traffic and reputation. Because of this need for a full-spectrum solution, as well as products that fill gaps in existing marketing workflows, Tiger Pistol packages and offers its social advertising solutions as standalone products.

Tiger Pistol found that combining presence/reputation products with social advertising "put the burden of performance on the ads component to show ROI for a combined set of solutions including the underperforming products, which SMB advertisers don't value as highly. And to which you have a harder time attaching ROI," Baird says.

Tiger Pistol's ROI insights help differentiate it from other social media ad platforms by combining a data-driven solution, which drives measurable ROI results and metrics that can be tracked back to cost per action (CPA) and cost per click (CPC), with the deep knowledge base on typical SMB advertiser performance trends that the company uses to efficiently automate ad campaigns. The company's machine learning system amplifies the value of its performance data by automating campaign optimization as well.

Another benefit of leveraging social ads is that media resellers can throttle up or down the packaged budgets offered to SMB customers. The Tiger Pistol platform can support campaigns as low as $50 in total spend and, due to Facebook's highly granular targeting capability, it's also able to provide resellers with guidance on what to expect in terms of response, conversion and advertiser ROI.

"There's a data-driven component in today's social advertising that I think hasn't been there in the marketplace before," Baird says. "This is on top of an ads focused component that just wasn't viable for the smallest businesses until the arrival of modern platforms. We're seeing really interesting results even at these low budget amounts."

> "Even though it may be a $50 or $100 campaign," Baird says, "we're able to compare it to thousands of similar campaigns—and that allows us to provide optimization at scale that the SMB couldn't do on their own."

That scalability and flexibility is resonating with Tiger Pistol's reseller partners serving SMBs, Baird says. Many of their reseller partners haven't been able to be effective at offering ad solutions at scale for small businesses at low-dollar spend levels. For the SMB itself, managing a social campaign is not cost necessarily cost-effective and [can be] difficult to scale.

Tiger Pistol's ability to see campaign data across all its SMB accounts allows it to automate the campaign setup and optimization for a broader group of campaigns. "So even though it may be a $50 or $100 campaign," Baird says, "we're able to compare it to thousands of similar campaigns—and that allows us to provide optimization at scale that the SMB couldn't do on their own—and for our partners, that would be a big technology investment."

What Makes Facebook Different and Attractive to SMBs?

Facebook provides a much greater level of targeting capability than traditional search advertising, with a broader range in the types of ads available. It allows for more dynamic and engaging experiences, and the placements are more integrated, including automatically reaching people on mobile devices and the ability to create both custom and lookalike audiences. The use of Facebook tracking pixels on SMB sites provides deep attribution capabilities, allowing SMBs to optimize campaigns based on what actually converts on their own sites.

With Facebook social advertising, Baird explains, "you're catching people across devices and can re-target, which is a huge part of the effectiveness. It's not cookie-based. It's not IP-targeted. As an advertiser, I know specifically what a consumer is doing and how to market to them."

Facebook social ads can't outright replace search advertising given the push versus pull consumer mindset that sometimes requires a search-driven experience and other times a discovery-based one. That's where Facebook's products differ from those of its competitors. In Google's world, SMBs get a consumer who has already done a proactive search for something, and SMBs are limited to the Google ad unit content to entice consumers in the search results. In the Facebook environment, SMBs can use a whole different set of data, which gives them context on what the consumer may want to discover but hasn't searched for yet. It's less direct, and more opportunistic, targeted and relevant.

On Facebook, SMBs get the chance to catch a customer at different points in the customer journey.

A Social Advertising Platform Built with Media Resellers at Its Heart

Today, when it comes to Facebook ad management, the majority of active advertisers use Facebook's native tools. They often require expensive assistance throughout the process, something Facebook is not geared to provide at scale. Or, perhaps, they use programmatic media buying platforms that limit their ad buying options on Facebook to non-permissioned desktop right-hand side placement ads.

"What [resellers] really want is high quality ad campaigns that leverage the full Facebook Ads capability, and that add value on top of that with automation and optimization, so they can have a really low cost way of fulfilling high quality campaigns," Hibberd explains. "Those sorts of efficiencies often allow reseller partners to push back to the [higher] margins they were getting with Google."

Tiger Pistol has developed its platform to support multiple reseller backend systems via a custom API, as well as to provide fully automated campaigns through its enterprise-level approach to campaign management.

"We're at a point where we're now supporting resellers at every level; our methodology around testing all variables and methods, making sure they're sound, etc., is flexible and able to scale without the many growing pains typically associated with large-scale media management," Baird says.

For example, when Tiger Pistol monitors Facebook posting performance, it's able to look at the Facebook interests of the people who interacted with the ad and those data points can be fed back into subsequent configurations for more targeted audiences.

"We're able to bring that very specific data into machine learning to drive algorithms that continually optimize the performance of campaigns," Hibberd says. "We're applying high-quality processing on top of sound methodology. Then, when campaigns are live, we're constantly optimizing budgets at both an ad and ad set level" Hibberd explained about how the platform combines experience, data and intelligent targeting to deliver enterprise-scale campaign management to small-scale SMB advertisers.

It's not just about ad campaigns. Facebook is a platform that can drive leads to SMB customers, too. Tiger Pistol focuses on delivering this capability at scale with the quality expected of search advertising. Resellers have an opportunity to provide their advertisers with a level of detail in performance tracking that goes beyond seeing the value of social spend in terms of clicks, providing an additional layer of engagement data about the people responding to their advertising.

Comparing Tiger Pistol with the Capabilities of Resellers' Current Product Portfolio

The starting point for advertisers is their budget. They want to get the greatest return possible from their online advertising spend. Most importantly, they want to understand the correlation between spending and returns.

"Where there is crossover between search and social ads—and there is competition between the two—the difference is, where budget allows, I've got enough budget to run both," Hibberd says. "I've got a real advantage because the discovery ability from social can feed the search conversion ability on SEM," Hibberd says of Tiger Pistol's comprehensive marketing insights. When an SMB has the right measurement capability in place, marketers can actually assess that the person who clicked on a Google ad actually saw their Facebook ad a couple of times as well, he explained.

Online marketing research often shows that SEM and social can be complementary and add value across campaigns. For the SMB, though, it's not as clear cut: If an advertiser is spending a couple of hundred dollars, then the impact it's able to have will be materially less than the advertiser spending multiple hundreds or thousands more for the same type of campaign.

"When they're spending in the hundreds of dollars, the impact is [lower in terms of reach], so they're more competitive than when the spend is higher," Hibberd says. "It's wrong to say search and social advertising are strictly competitive. With the right budgets they can be quite complementary."

Social media is part of a complex sweet spot for SMB advertisers. Social has more focused conversion emphasis, with a longer tail. It can reach smaller audiences in

increasingly granular market categories. Social adds more value than the standard click-oriented product for the SMB. It can also be a more transparent product that builds more trust than a search product. It's not unusual for a search vendor to say to an SMB: "We're going to drive clicks, and we can't have much accountability for what happens beyond there." That's not adequately accountable in the modern marketing environment. The enterprise no longer has a monopoly on data-driven insight.

"It leads to a more honest conversation about how advertising works as opposed to the single attribution focus that search has created," Hibberd says. Tiger Pistol's platform is designed for multichannel engagement and accountability.

Media resellers that realize the potential of accountable high-ROI social campaigns will benefit from the continued massive growth of the social media channel. As the market expands, they will be able to capture additional share of advertiser wallet as more SMBs flock to the medium to capture and convert audiences.

Resellers should be evaluating their social offerings and platforms to ensure they can take advantage of the explosive growth in social spending. The right solution can help them scale social media revenue effectively with high margin solutions, even when delivering to clients with smaller budgets. A robust, intelligent and flexible platform that demonstrates measurable results will help SMB clients scale social ad spending, allowing them to take full advantage of the latest direct response capabilities on social.

Glossary

Search: In online marketing, a way to find something on the Internet, like local businesses or categories of businesses. Consumer searches are considered 'local' for geographically specific businesses when the search query includes keywords that exhibit localized intent, like geography/location.

Discovery: In online marketing, a way to find something on the Internet based on user preferences and affinities. Content related to an advertiser (such as a Facebook in-stream ad unit) is surfaced in a user's Facebook stream and can be organically discovered and matched based on user demographic data.

Local Intent: An identifier within a search engine query that signals the query is a local search. A local search includes a location modifier, such as "Bellevue, WA."

Social Media Management: The process and tools involved in managing a business or company's social media presence online. Active social media management can streamline and integrate customer interactions across multiple social channels.

Reputation Management: The process and tools involved in managing a business or company's online reputation across multiple ratings and reviews channels online. Active reputation management helps to ensure that when a consumer searches for a business, the results are populated with positive, relevant content.

Social Advertising: A type of online advertising that relies on social information or networks in generating, targeting, and delivering marketing communications and targeted advertising. For example, the advertising platforms provided by Google, Twitter, and Facebook involve targeting and presenting ads based on relationships articulated on those same services. Social advertising can be part of a broader social media marketing strategy designed to connect with consumers.

Lead Attribution: A method of measuring the impact of any given online/offline channel in terms of its contribution to converting a consumer into a lead. Attribution measures the monetary impact of different marketing efforts on creating new sales, retaining customers, etc.

Cost Per Click (CPC): Refers to the actual price paid for each click in a pay-per-click marketing campaign. A click on a PPC text ad represents a visit, or an interaction with a company's product or service offering.

Click to Website: A type of Facebook advertising campaign with the main goal of getting people to visit a site based on the URL provided. Website conversions help advertisers promote a specific conversion for their website that can be tied to a conversion pixel.

Facebook Pixel: A type of retargeting pixel supported by Facebook that combines the power of conversion-tracking pixels with Facebook custom audience pixels into a single pixel that loads when a target page loads in a consumer's browser. Facebook pixels can be used to measure, optimize and build audiences for social ad campaigns.

Audience Retargeting: A type of Facebook retargeting that allows advertisers to target their ads to a specific set of people with whom they have already established a relationship on and off Facebook, through Facebook's third-party ad network.

Conversion Events: Actions taken by people who have viewed a Facebook ad unit, which are tracked through targeting pixels for the purpose of measuring the return on investment for a given ad campaign.

Link Clicks: The number of clicks on links appearing on an ad or page that directs people off Facebook (e.g., clicks to install an app or view an offsite video; clicks to another website; call-to-action button clicks to another website).

Unique Clicks: The total number of unique people who have clicked on an ad. For example, if three people click on the same ad five times total, it will count as three unique clicks.

Cost per Action: An online advertising pricing model in which the advertiser pays for each specified action, such as an impression, click, form-submit (e.g., contact request, newsletter signup, registration), double opt-in or sale.

Campaign Objective: The ultimate goal of an online marketing and advertising campaign. Campaign objectives should be SMART: Specific, Measurable, Achievable, Realistic and Timely.

Automatic Bidding: A type of PPC and social advertising bid strategy that uses predefined daily budgets and automatic ad bid adjustments to automatically manage a marketing or advertising campaign.

Manual Bidding: A type of PPC and social advertising bid strategy that allows manual bid setting and individual ad placement to allow for greater control of an ad campaign structure.

'Charge on CPM' Spend Option: A type of campaign spend setup that deducts campaign budget for each 1,000 impressions of an advertisement. If the stated CPM is $1, the advertiser will be charged $1 for every 1,000 impressions on the ad.

'Charge on Action' Spend Option: A type of campaign spend setup that deducts campaign budget each time someone clicks on an ad unit that takes him or her to the advertiser's website or app.

Lookalike Audience Targeting: A type of Facebook ad targeting that allows advertisers to target more people who are demographically similar to their established customers based on available audience social data.

Custom Audience Targeting: A type of Facebook ad targeting that allows advertisers to reach customers they already know via preselected audience profiles (e.g., people who visit the advertiser's website or use the advertiser's mobile app).

Facebook Audience Targeting: The types of targeting options available via the Facebook advertising platform. Audience targeting helps advertisers show their ads to the people they care about. The platform allows advertisers to target their ads to people based on location and demographics like age, gender and interests, and based on what they do off Facebook.

Leads (Conversions): The number of new leads an advertiser acquired on its website as a result of its ad placement.

Budget vs. Spend: The difference between how much money an ad campaign is allocated by an advertiser versus how much of it is spent during the campaign.

Facebook Ad Placements:

Desktop Newsfeed Placement: A type of Facebook ad placement that is displayed within a user's newsfeed while using Facebook from a desktop device. It includes social information, business name, ad text, images and videos, and an optional call-to-action button.

Mobile Newsfeed Placement: A type of Facebook ad placement that is displayed within a user's newsfeed while using Facebook from a mobile device. It includes social information, business name, ad text, images and videos, and an optional call-to-action button.

Desktop Right Column: A type of Facebook ad placement that is displayed on the right column of the Facebook user profile and newsfeed. It includes images and videos along with ad text.

Audience Network: A way for advertisers to extend their campaigns beyond Facebook and into other apps through a Facebook third-party advertising network. The Facebook Audience Network utilizes the same measurement tools marketers use for their Facebook ads.

Instagram: A type of Facebook ad placement that is displayed within a user's Instagram feed. It includes the advertiser's Instagram handle, images and videos, an option call to action, as well as ad text.

Ad Formats/Types/Objectives:

Carousel Ads: Facebook ads that show three to five preselected images and/or videos, headlines, and links or calls to action in a single ad unit.

Leads Ads: Facebook ads that allow a user to complete advertiser lead forms directly from the newsfeed. Lead ads make the mobile form fill and signup process easier through automatic contact information population.

Video Ads: Facebook ads that use advertiser video to drive brand awareness and sales. Video ads are placed directly into user newsfeeds and auto-play on mobile devices.

App Installs: Facebook ads that include a call to action which redirect users to an advertiser's app on the Google Play or Apple app stores.

Video Views: A type of Facebook ad metric that measures the number of people who have watched an advertiser video. A video view is three seconds or longer and will appear for all videos, including auto-playing videos that activate as users scroll through the newsfeed.

Page Post Engagement: Facebook ads that include specific advertiser page posts, which are displayed within user newsfeeds.

Local Awareness: Facebook ads that utilize user location to display in-newsfeed advertisements from local businesses and advertisers.

Offer Claims: Facebook ads that promote timely discounts or other deals for people to claim inside the advertiser's local store.

Page Likes: Facebook ads that are designed to drive increased page likes for an advertisers Facebook page.

Event Responses: Facebook ads that are designed to promote advertiser events through event-interest calls to action.

About BIA/Kelsey

BIA/Kelsey is a market research and analyst firm that focuses on all things local. Local media is an increasingly dynamic area of ad spending, and is quickly evolving with emerging digital platforms like mobile, social and search.

Over the past three decades, BIA/Kelsey has been an authority on these developing technologies as well as their forbearers in traditional media, which continue to transform as they likewise compete for local ad dollars and consumer affinity.

Through a growing suite of products that includes research reports, articles, conferences, and client consulting, BIA/Kelsey analyzes the business, financial, social and technology trends affecting local media.

Readers, event attendees, partners and clients are given the inside track on critical data, analysis, and recommendations needed to grow and transform in a rapidly evolving media and advertising landscape.

About BIA/Kelsey Sponsored Research

BIA/Kelsey Sponsored Reports are commissioned by companies that wish to spotlight areas of coverage.

BIA/Kelsey maintains full editorial control and applies longstanding standards of editorial practice and objective market analysis. If you'd like to sponsor BIA/Kelsey's coverage of any topics or to profile sectors of local media innovation, please contact sales@biakelsey.com.

About Tiger Pistol

Tiger Pistol is the world's smartest small business Social Ads Platform. Our breakthrough technology brings automated, enterprise quality Facebook and Instagram ad campaigns to SMBs.

Tiger Pistol is a proud Facebook Marketing partner with over 5 years of experience dedicated to helping small businesses. We combine technology innovation with a genuine passion for local operators to help our partners around the globe deliver meaningful results to their small business customers.

Our platform enables partners who serve SMB customers to offer white-label social solutions focused on delivering measurable results via social ads – even with small budgets - and also provides support for social posting and social monitoring. Our innovative platform delivers campaign automation, creative testing, and real time machine-learning that optimizes results across tens of thousands of campaigns to maximize performance.

The Tiger Pistol Social Ads Platform offers a full range of API Integration, SaaS, and Managed Service options to help partners scale quickly and drive profitable new revenue from social.

Founded in 2011, and serving media reseller partners in the U.S., U.K. and Australia, Tiger Pistol has offices in Los Angeles and Melbourne.